CHAPTER 5

SOCIAL ENTERPRISE: A NEW FORM OF THE NEW CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

Although enterprises have been trying to find solutions to social problems with corporate social responsibility projects in recent years, these projects, which are often implemented, have not been sufficient to increase social welfare. In line with these developments, it is observed that attempts to fulfill the social duties ignored by the states and by profit-seeking enterprises evolved into social enterprises. Social enterprises are defined as "private enterprises that seek to realize a social purpose, generate commercial profits (both from the equity of their founders and from public and private enterprises), as well as traditional sources of income. In this context, the main objective of this book section is to describe the gradual transformation from corporate social responsibility to social enterprises. In the first part, the concept of corporate social responsibility is detailed in detail with the different definitions given. Secondly, the dimensions of corporate social responsibility are explained. The third section covers international standards in the field of corporate social responsibility. In the fourth chapter, the evolution of corporate social responsibility towards social enterprises is determined. Finally, the conclusion of the section is given.

Keywords: Social Economy, Corporate Social Responsibility, Social Enterprise

"The political problem of mankind is to combine three things:
Economic efficiency, social justice and individual liberty"
John Maynard Keynes

Introduction

Despite sectoral differences, the sustainability companies in the current market conditions depends on the communication with the stakeholders. Companies act together with their stakeholders rather than pursuing solely a profit-oriented approach and thus social and environmental parameters are also gaining importance. In this connection, the concept of corporate social responsibility, emerged with the idea that solely economic interaction with the society would damage the competitive advantage in the long run and businesses should also pay attention to the well-being of the society. Corporate social responsibility, reflects the social responsibilities of businesses towards the society and thus their contirubution to social benefits. Having a sense of responsibility generate reputation for the business. Therefore with this awareness, companies allocate large budget items for corporate social responsibility activities and they also establish ties with the society to meet social needs that would provide them competitive advantage and increase their corporate reputation level in the long run.

On the other hand,according to the corporate social responsibility pyramid, the responsibilities of companies are examined under four headings: economic, legal, ethical and philanthropic. In this connection, social responsibility projects are carried out in accordance with these four principles for all stakeholders, and more specifically for internal employees, shareholders and investors, society, international arena, suppliers, competitors, state and local governments, professional organizations and non-governmental organizations, etc. Yet, the jurisdiction and implementation of CSR projects for stakeholders generally laid out according to various standards. In this regard,the international standards offer various criterias to measure and evaluate corporate performance and hold the company responsible when necessary. International standards establish measurable, traceable and comparable universal norms. In this way, it can be also contended that the social duties of the welfare state are shifted from the states to " business organizations".

However, although in recent years businesses try to engage corporate social responsiblity projects as much as possible, it would be excessive optimisms to expect from these organizations (whose main purpose is to generate profits) to completely tackle social problems Within this framework, it has been also observed in the last couple of decades that the attempts towards filling the social duties overlooked by the states by engaging corporate social responsibilities are gradually transforming towards attempts to become social enterprises Some scholars even argue that social enterprises may be the new form of corporate social responsibility Seen different from traditional non-profit companies, social enterprises are defined as “private enterprises that try to achieve a social goal, generate commercial gain (both from their founders’ equity and from public and private enterprises) in addition to the traditional sources of income (donations and voluntary participation) of non-profit comapnies. Social enterprises contribute to economic growth as market actors and they increase the level of social capital by bringing individuals together, strengthening civil society and thus maintaining social economy by creating sustainable financial resources for non-governmental organizations

As such the main aim of this chapter is to identify the gradual transformation from corporate social responsibility to social enterprises. The chapter is composed as follows. First, the concept of corporate social responsibility is elaborated in detail with different definitos provided. Second, the dimensions of corporate social responsibility are explained. Third, international standards in corporate social responsibility are covered. Fourth, the evolution of corporate social responsibility towards social enterprises has been identified. Lastly, the conlusion of the chapter is given.

1. The Concept of Corporate Social Responsibility

Social responsibility refers to generating social benefit beyond the economic and technical requirements of the businesses that are surrounded by various stakeholders within their political, legal, technological and social environment (Nga, 2021). In order to become sustainable, businesses should align their interests with the needs and wants of their stakeholders, that provide them the neccessary inputs for conducting business (Camilleri, 2017). The argumet that economic profit alone will not be enough to sustain the existence of businesses was first mentioned by Bowen in 1953 under the concept of corporate social to consider to the needs of the society (Caroll, 1999). Howard R. Bowen’s iconic book named “Business Man’s Social Responsibilities” is the first book on the subject, and it is of great importance with respect to introducing the concept of corporate social responsibility (CSR) to the literature. Bowen (1953) mentioned that CSR refers to the basic moral orientation adopted by a company in its behavior towards society.

In the following periods, Frederick (1960) continued to discuss the issue of corporate social responsibility. The common view put forward by these scholars is the need to promote the voluntary fulfillment of certain social responsibilities for companies. In addition, they emphasized the importance of being environmentally friendly and not harming the environment while carrying out all the business activities. In 1970's Sethi (1973) brought a different perspective to the issue of CSR by revealing that CSR can also be affected by external environmental factors and that some cultural codes cannot be easily abandoned. In 1979 Carroll added a new perspective to the concept of CSR as well as some other dimensions. Starting with Bowen (1953), Caroll has analyzed and dimensioned the ideas of all researchers' views until 1979 and placed them on a conceptual basis. He has listed four dimensions in order of importance relative to him. Caroll put economic responsibility first in his ranking; because it is based on the view that the first and most important responsibilities of companies are their profits (Caroll, 2010). He placed legal responsibilities into the second place and ethical responsibility into the third place. Lastly, he placed the voluntary responsibility (phliantrpphy). In 1984, Drucker emphasized that the social responsibility of the businesses should be to taming capitalism. According to Drucker, whilst businesses transform social problems into profit they should also focus on transforming productive talent into human talent and well-paid jobs into wealth. In the 1990s, CSR has become a necessity rather than a strategic choice (Kraft & Hage, 1990). Especially in the scientific literature, great developments took place during this period. Major national and international organizations such as the UN, OECD, EU and governments have created agenda items for the expansion of CSR activities (Amba-Rao, 1993).

Particulary, in the 1990's corporate social responsibility has gained an increased importance for the private sector as a result of the pressure of social actions and public opinion due to the increasing impact of corporate scandals of large businesses in western countries such as Enron and Parmalat (Coffee,2005). By the 2000s, the corporate social responsibility paradigm has been shifted in a way that the companies should represent the interests of all stakeholders, including to those which has no direct stake in the business such as the natural habitat or ordinary citizens of society (Moir,2001). The aim was to prevent the negative consequences of corporate failures for society. For this purpose, OECD's corporate governance principles were prepared to be a correct guide for all businesses (primarely publicly-listed companies) in all countries of the world (Jesover, & Kirkpatrick, 2005). The corporate governance principles asserts that acting in accordance with ethical principles that are of great concern to stakeholders is not a choice but it is a must (Dignam, & Galanis, 1999).

Yet, when the evolution of CSR becomes the point of interest, it may be essential to focus the four major dimensions introduced by Caroll, since indeed throughout the evolution of the concept, it has all started with economic responsibilities that evolve slowly towards philantrophy and eventually ended up in becoming social enterprises (Cornelius, Todres, Janjuha-Jivraj, Woods, & Wallace, 2008). Hence, below the four dimension of CSR will be elaborated more in detail.

2. The Dimensions of Corporate Social Responsibility

Although it is very difficult to clearly define the subject and boundaries of this concept, , it can be argued that there are four universally accepted dimensions of corporate social responsibility, namely economis resposibilities, legal responsibilities, ethical responsibilities and philantrophy (Caroll, 1991).

2.1. Economic Responsibilities

Economic responsibilities are defined as the efficient use of their resources for a long time and profitable sales of their goods and services in order to produce the goods and services that the society needs and demands (Maignan, 2001). The main reason why the economic responsibility is at the top of the hierarchy in the classification made by Carroll (1994) is that all other aspects of the business, including the reason for the existence of the business, are based on this responsibility of the business. Without economic responsibilitis, companies' other responsibilities would have no importance (Caroll, 2015). Therefore, economic responsibility comes before other dimensions. For this reason, among the main responsibilities of businesses, there are goals such as obtaining maximum profit, serving the society and ensuring its continuity (Baden, 2015). As such, it is a business' responsibility to satisfy consumers with a good product at an attractive price, so that, business shareholders gain profit (Schwartz & Caroll, 2003).

The reason behind the existence of economic responsibilities with the highest magnitude at the bottom of the corporate social responsibility pyramid is the fact that without generating profit the businesses can not contribute to the social well being (Cochran, 2007). Only by fulfilling the economic responsibilities a company can produce goods and services by using their resources efficiently and effectively, ensure continuity in profitability and create employment (Windsor, 2006). In this connection, it can be argued that businesses can only consider to fulfill ther social responsibilities after having fulfilled their economic responsibilities (Latif & Saijad, 2018).

However, particularly in recent years, fulfilling solely the economic responsiblity is not seen by many stakeholders as a social responsibility and it is expected from businesses to engage social responsibility projects to generate social well being besides economic well being. Especially, with the emergence of social economy many companies not only implement corporate social responsility projects but they start to become social enterprises (van den Heuvel, Soeters, & Gössling, 2014). As a result, in order for a company to fulfill its other responsibilities, it must first fulfill its economic responsibilities.

2.2. Legal Responsibilities

The second dimension along in the corporate social responsibility pyramid is the legal dimension. Fulfilling this responsibility along with the economic responsibilty is a must for companies because, without carrying out the activities in accordance with legal regulations, companies would become as illegal and uncredible organizations for all stakeholders (Turker, 2009). In this connection, companies must fulfill their economic objectives within the scope of laws and regulations as corporate citizens, because law is necessary for ensuring security, peace, tranquility and order in social life. In this framework, laws and regulations can be considered as a social contract between society, state, individuals and businesses (Jamali & Mirshak, 2007). For this reason, it is an obligation for businesses to act in accordance with legal limits and to fulfill the responsibilities imposed by laws in activities aimed at realizing economic purposes. It is the responsibility of the businesses not to operate in illegal areas (Diener, 2013). The production, consumption and trade of some services and goods such as weapons, drugs, gold and precious metals, babies, children, organs, women, extinct creatures are prohibited for moral and legal reasons, as they harm health and order (Branco & Rodrigues, 2006). Other legal responsilbity of the businesses is paying taxes to the government, maintaining the workplace security for employees, regulation of wages, protection of consumers and the environment, the employment of disabled and convicts, protection of employees against sexual harassment (Buhmann, 2008).

However, although the general framework of the rules and procedures are determined by laws , it is almost impossible to determine every social interaction by formal contracts. Hence, in cases that the social contracts are not specified in writing, ethical codes and rules and public conscientious emerge as solutions to improve the social well-being of all stakeholders (Herzog, 2017). For this reason, ethical responsibilities have been included to corporate social responsibility dimensions.

2.3. Ethical Responsibilities

Although ethical responsiblities are not specified in the laws, for sustainabilty of the companies, they should be followed within the ethical values. Ethical responsibilities are maintained by complying with social rules and values, adopting emerging new ethical norms, applying ethical rules to achieve long-term business goals (Gariga & Mele, 2004).

It can be also argued that compared to legal responsibilities, ethical responsibilities of a company are more dynamic. Laws are static, but business life is constantly changing and making decisions only in accordance with laws can create insuffcient social responsibility, where legal regulations might be too slow to follow society's needs (Fischer, 2004). Hence, it is also expected by the companies that they should fulfill their ethical responsibilities in a way that prevents the emergence of company's actions against the well-being of society, even though these responsibilities are not written (Berger-Walliser & Scott, 2018).

In this connection, it is under the ethical responsibility of a company to act honestly and fairly by avoiding harm to society. Ethical responsibility can be regarded as moral obligations for different interest groups that include shareholders, employees, society and customers (Caroll & Brown, 2018). Yet, some companies are more sensitive to ethics than others and they engage corporate social activities, even though these are not under their ethical responsibility. So, such companies fulfill philantrophy, that can be considered as the most advanced form of corporate responsibility (Kim & Thapa, 2018). Thus, the engagement in philantrophy practices would provide social benefit to the society.

2.4. Philantrophy

This responsibility includes the voluntary services such as constructing an elementary school in an economically underdeveloped region that are expected by the society and fulfilled by the business without being compulsory. By engaging such voluntarly activities, companies seek to gain acceptance and legitimacy by the society, that would provide them sustainability (Janowski, 2021). For example, in 2011, Kraft Heinz started the digital campaign Huddle to combat against hunger. The campaign has given money to food banks when someone liked their Facebook page. This endeavour is also connected with brand awareness. Another example for philanthropic activities is Walmart's Resource Donation. Walmart gives permission of access to its food trucks in the United States. In this way, the company distributes fresh food to people in need.

Voluntary responsibilities are considered as one of the four dimension of corporate social responsibility and they include activities performed without expecting any return. In this sense, while performing voluntary or philanthropic activities, the main purpose of businesses is to benefit the social environment to which they depend, rather than to benefit themselves (Thompson, 2019). However, today most businesses use philanthropic activities for tax relief or exemption. Thus, a donation made to reduce the tax rate or an aid made for the purpose of gaining a future benefit or because of an external pressure does not fall into this category (Conway, Ellingrud, Nowsky & Wittenmyer, 2018). Caroll (1999) defined philantrophy as the purest form of corporate social responsibilities. In the classification made by Geoffrey Lantos on the same subject, altrusitic corporate social responsibility is used in the same sense as altruism. In this context, philanthropic-oriented corporate social responsibility presents an enlightened capitalism with a purely utilitarian thesis (Zeng, Audrain-Pontevia & Duriff, 2021). Thus, corporate social responsibility efforts related to being beneficial to the society by completely ignoring its effects on profit are included in the scope of philanthropy-oriented corporate social responsibility. Activities, voluntary work and projects that benefit the social environment in which the enterprise operates can be included within the scope of corporate social responsibility (Singh, 2010).

In this context, it should not be forgotten that the society expects philanthropic assistance from businesses in terms of volunteering, the requested voluntary aids should be met by the enterprises in the best way, the social environment should be provided with the managers and employees, and financial support should be given to private and public educational institutions (Hogan, Olson & Sharma, 2014). Therefore, companies should support voluntary projects as they will bring a good image to the business. In the volunteerism dimension, the perception of the employees' sensitivity to social activities is also included. Volunteerism or philanthropy is an essential step for businesses to gain acceptance in the society (Welford, Chan & Man, 2008). Although voluntary corporate social responsibilities are not an obligation for businesses, there is no need to undertake these responsibilities, neither legally nor ethically. However, many businesses place particular emphasis on voluntary responsibilities to be perceived as good corporate citizens in their society. Volunteering or philanthropy is an essential step in becoming corporate citizens for businesses (Gardberg, Zyglidopoulos, Symeou & Schepers 2019).

On the other, it can be also argued that for promoting the abovementioned dimensions of corporate social responsibility some international standars and principles have been determined (Sasse & Trahan 2007)., which can be also used as guidelines by companies to maintain the four dimension of CSR while engaging CSR activities.

3. International Standards in Corporate Governance Responsibility

Some standards and principles have been developed in the field of Corporate Social Responsibility on an international, inter-institutional and sectoral basis. These standards aim to protect the interests of society and individuals by guiding CSR practices. The fact that they are written and accepted by multiple countries, businesses and organizations increases the effects of these standards (Rendtroff, 2019). By applying these standards, permanent and more effective solutions are provided to injustices and injustices suffered by individual or small groups. These standards play an important role in preventing large enterprises from trying to use cheap labor at the least cost without worrying about improving the working environment (Carlson & Blodgett, 2007). Some of these standards and principles are described below.

3.1. Caux Principles

The Caux Principles were introduced by an initiative called the Caux Round Table. The Caux Round Table (CTR) was developed in 1986. These principles mainly focus on economic and social threats that are beginning to be seen as a threat to peace and stability on earth and round table is a social responsibility initiative that is based on social goals such as peace, solidarity, social stability and equality and draws attention to the importance of international unity (Young, 2006).

The Caux Round Table initiative was announced globally in 1994 with the participation of leading trade leaders from North America, Europe and Japan. The Caux Round Table initiative stresses the importance of moral values in business life as well as the argument that sustainable development and healthy business relationships cannot be built without ethical rules (Philipp, 2014). Caux principles are examined in two classes as "General Principles and Stakeholder Principles". The general principles comprise the responsibilities of the trade, the social and economic impact of the trade, business ethics, respect to rules, care for the envionment, avoiding the break of law. Stakeholders related principles on the other hand includes the responsibilities for customers, employees, shareholders and opponents (Bardaş, Rotaru, Ghita & Cocosila, 2013). Recently, the Caux Principles have proposed a re-conceptualization of "capital" to include intangible assets that also take care of the social needs. The Caux Round Table has in tandem proposed a modernization of valuation methodology to incorporate consideration of social, human and natural capitals in financial analysis, planning and reporting.

3.2. Keidanren Convention

This social responsibility document, known as the Keidanren Good Company Conduct Charter, was prepared by the Japanese Federation of Economic Organizations called Keidanren. This federation includes the leading business and industrial sectors of the country and it consists of 10 principles based on the mutual understanding that businesses should also be beneficial to the society besides their main purpose of profitability (Wakabayashi, & Sugiyama, 2010). Keidanren members accept the logic of this contract as the basic principle for the business activities and they later reconstructed these principles by analyzing ethical problems and other developments in Japanese business life that occurred from the inception of the contract (Kokubu,Kitada & Haider, 2014).

In this connection, it can be argued that according to the Keidanren Good Company Conduct Charter businesses are not only considered as organizations trying to reach their financial goals but also organizations that have to the obligation to socially contribute to the well-being. Therefore, Keidanren Good Company Conduct advices the business organizations to comply with the 10-clause principles of the contract by making them respect all national and international rules and regulations (Hori, Nogata Hayabuchi & Kondo, 2021). So, according to these10 principles of the Keidanren contract;

Principle 1: Businesses should provide and develop services / products that are beneficial and completely safe for society.

Principle 2: Businesses should always support a transparent and honest competition and thus establish transparent and reliable relationships with politicians and governments.

Principle 3: Businesses should create a communication network by providing accurate and up-to-date information not only for their shareholders but for the whole society.

Principle 4: Businesses should fulfill their duties and applications on a voluntary and solution-oriented basis.

Principle 5: Businesses should devote maximum resources to charitable work with their resources.

Principle 6: Businesses should endeavor to value their private life and dignity by ensuring that their employees have access to a safe, comfortable and better working and social life.

Principle 7: Businesses should struggle against anti-social activities and formations that could harm the peace and welfare of society.

Principle 8: Businesses should respect the traditions, culture and values of other countries, where they operate and they should carry out activities that will support the development of their region.

Principle 9: Business management should be aware that the implementation of the Keidanren contract is directly related to them. So, they should also use the Keidanren convention at all levels of business systems and make business ethics an important part of the business culture.

Principle 10: The top management of the company should take the necessary steps to prevent the fraud and in cases of managerial misbehaviour, all information should be shared with the public (Keidanren Policy &Action 2017).

In fact, all the abovementioned 10 principles are prepared to generate an ethical guideline for businesses for improving social wellfare. Nevertheless, Keidanren Good Company Conduct Charter Principles are mainly complied by Japanese and other East Asian companies and thus its scope is limited (Lau, Tan, Lee, & Mohamed, 2009) . The Keidanren agreement, which consists of 10 principles, is based on the understanding that businesses founded on the idea that the purpose of the businesses should be the contribution to the social wellbeinn besides profitability.

3.3. Social Accountability International Standards

Especially the regions with high population density and without favorable working conditions draw the attention of multi-national companies from developed countries. Since the unemployment rate is higher in underdeveloped countries, working hours are usually very high and wages are generally very low, that prepare the optimal conditions for many multinational companies to shift their production from their home to such regions. However, sometimes some of the multinational companies tend to exploit the disadvantageous conditions of societies in underdeveloped part of the Word, which led non-government organizations NGOs to react vigorously to such practices (Rasheed, 2020).

In this connection and with the encouragement of NGOs , Social Accountability International (SAI) Standards have been established in order to prevent potential exploitation of multinational companies in the underdeveloped parts of the World (Fransen, 2012). SAI standards aim to make the working conditions of the companies more compatible with the host country circumstances and to comply with the determined minimum wage rules as well as the development efforts of the society. The standards were first introduced in 1997, but they were later rearranged by SAI in 2000 (Shamir, 2004).

SAI Standards introduced a series of quality standards which together aim to produce safer and higher quality products and services for consumers (Castka, & Balzarova, 2008). SAI mainly includes social problems such as occupational health and safety, working conditions, child labor. SAI specifically cover the below mentioned principles (Poetz, Haas & Balzarova, 2012):

Prohibiton of Child Employees: Child workers under the age of 15 can not be employed. If children over the age of 15 continue their education, the total time spent at work must be limited with 10 hours per day.

Prohibiton of Forced Workers: Businesses can not force any worker to work and can not require workers to pledge their identity documents.

The Right of Collective Bargaining and Unionization: All workers have the right to negotiate collective bargaining, join and form unions.

Maximum Working Hours: Workers can not be employed for more than 48 hours per week, except in short-term unusual conditions. In addition, the duration of overtime can be up to 12 hours in a week.

Minimum Wage : The wages to be paid to employees must have a minimum level and they must be sufficient to cover the basic human needs.

Workplace Safety and Health Condition: Businesses are responsible for taking measures to prevent occupational accidents and injuries, and have to provide training on safety and health issues, to prepare a healthy work environment.

Discrimination and Discipline: Employees can not be subjected to positive or negative treatment due to differences based on religion, language, race and/or gender. Workers can not be subjected to psychological and physical violance such as mobbing and physical abuse.

As such, whether businesses comply with SAI Standards is checked through International Certification Services Auditors. SAI certifications are only issued to companies that are determined to meet the abovementioned required conditions (SA8000 Standard" http://www.sa-intl.org/index). SAI is a non-governmental organization formed to protect the rights of workers around the world. By aiming to preserve the rights of workers around the world, SAI introduced a number of standards that seek to push companies to adopt policies that contribute to the well-being of the society.

3.4. United Nations Global Agreement

United Nations Global Agreement seek to promote corporate sustainability with a value system based on business principles approach. As such, it provides companies an ethical guideline to fulfill the basic responsibilities in areas such as human rights, optimum labor conditions, environment protection and combat againts corruption (Jastram & Klingenberg, 2018). The companies, which comply with the Ten Principles of the UN Global Compact incorporate policies and procedures into their strategy and aspire to create a culture of responsibility and accountability to the society (Kadyan, 2016). These 10 principles belonging to the UN Global Compact are also related to The Universal Declaration of Human Rights (Berliner & Prakash, 2014). These 10 principles are elaborated more in detail below (United Nations Global Compact, 2020).

Human rights:

Principle 1: Business world should support the preservation of internationally claimed human rights.

Principle 2: It should be noted that activities do not constitute crimes of human rights violations.

Labor:

Principle 3: Companies should ensure the recognition of the right for collective bargaining.

Principle 4: All forms of forced labor and forced labor actions should be eliminated.

Principle 5: Child labor should be eliminated.

Principle 6: Discrimination in terms of employment and occupation should be eliminated.

Environment:

Principle 7: Companies should take measures against environmental problems.

Principle 8: Measures should be taken to encourage more environmental responsibility.

Principle 9: The development of environmentally friendly technologies should be supported.

Anti-Corruption:

Principle 10: Combat against all kinds of corruption including bribery and extortion should be encouraged.

In general, United Nations Global Agreement principles are similar to those of SAI principles, yet these are set not only for multinaional companies operating in underdeveloped countries but for all companies (Williams, 2014). United Nations Global Agreement principles is a call to companies to align their strategies and operations with ten universal principles associated with human rights, labour, environment and anti-corruption, and act in a way to contribute to social needs and thus implement policies to increase the social benefits.

3.5. International Labor Organization Standards

The International Labor Organization (ILO) came into effect with the Versailles Treaty signed in 1911. This organization, is still an important and large social responsibility organization today trying to build a triple structure consisting of government representatives, workers and employers for improving the employee lifes. The main objective of this organizatio is to advocate a permanent and global peace based social equality (Swepston, 2018). ILO Standards have the below listed principles.

Principle 1: Companies should provide full employment by eliminating the unemployment problem.

Principle 2: Companies should raise the standard of living by ensuring employees jobs that are most suitable for them.

Principle 3: Companies should create training opportunities for professional development,

Principle 4: Companies should create economic development so that the whole society equally benefits from the advantages of development.

Principle 5: Companies should maintain guarantee the life and health of the workers,

Principle 6: Companies should support union activities,

Different than SAI principles and United Nations Global Agreement principles, International Labor Organization try to help the social development by encouriging the living standars of employees.

Overall, it can be asserted that the international standards in corporate social responsibility aim to generate a shared value creation, that is defined as not only using resources to solve social problems with social responsibility activities, but also creating economic assets by aiming to solve these problems strategically. The concept of creating shared value is a method that balances economic and social gains and it consists of strategic implementations, where the companies will develop social and economic life in the region they operate, whilst attaining competitive advantage (Ratnam, 2000).

However, although the international standards maintained a general framework for companies how to generate a shared-value for civil societies, they did not become sufficient to alleviate the negative social consequences of profit-maximization (Dymond, 2001). The failure of mainstream economic theory to solve social inequalities is an important reason for the increasing interest in paradigms which are more fair, and sensitive to the broader needs of societies and not only of shareholders (Chatterjee, & Ray 2016). Hence, as a response to the limitations of corporate social responsibility actions in creating shared-values for societies, the social economy emerged to enable minimum acceptable levels of well-being to increasing numbers of people (Kuschnereit, 2001). In general , the social economy is seen as an important paradgim of bridging the gaps of classical corporate social responsibility actions by positioning social and human considerations at the center of economics. So the social economy concept is therefore used to address to enterprises and associations driven by ethical and moral considerations. (Ray & Chatterjee 2012).

In this connection, it can be argued that the social enterprises as an advanced form of CSR practices are the main drivers of social economy by transforming the non-profit organizations for creating more shared value for the society. Social enterprises are usually founded by social entrepreneurs who tend to adopt a widely pro-social business model for their business. The elements of mutuality, collective effort, and social control over capital are the greatest concenrs of social enterprises (Palakshappa, & Grant 2017). Below, the emersion of social enterprises as a new form of corporate social responsibility is identified more in detail.

4. Social Enterprise as the New Corporate Social Responsiblity

Although CSR had important implications about corporate behavior, it has often became unsuccessful to ensure meaningful large-scale social contribution. Hence, the social enterprises came into existence as the main drivers of social economy movement, which shared some of the concerns of CSR but tried to advance them beyond the discussion of the unending CSR debate (Katz & Page, 2010). For example TOMS shoes is considered as an social enterprise. With every pair of shoes you purchaise from TOMS, the company grants another pair to a child, whoese parents can not afford these shoes. TOMS has donated over 50 million pairs of new shoes to children under economic diffculties. Another example for social enterprises is Grameen Bank, which is founded by Muhammed Yunus with the motto “ the bank for the poor”. Grameen Bank has proven the power of business solutions to cope with the underlying reasons of poverty, by enabling micro loans and to small and medium business owners particularly in developing countries.

In general, social enterprises aim to promote the campaign to make businesses more socially responsible. The term “for-profit social enterprise” (or simply “social enterprise”) pertains to companies with shareholder-owners , who desire to alleviate social problems by using a combination of the dynamism of capitalized for-profit enterprise with the intentionally pro-social orientation of non- profit organizations (Page & Katz, 2010). Yet, one has to also admit that the emergence of social enterprises has its seeds in philanthrophy responsiblity dimension of the corporate social responsiblity. In this context, social enterprises embrace a concept of philanthrocapitalism, which is a combination of the word philantrophy, and capitalism. In philanthrocapitalism, the investment (capital) is made for the purpose of creating social transformation with obtained from the profit in the free-market economy that is thought to be more effective compared to arbitrary philantrophies of corporations (Besley & Ghatak, 2017).

So “Is social enterprise the new CSR?” is the other way around to ask whether the social enterprise movement is still a recurrence of CSR. The recent literature about this question admits that social enterprise is a new form of CSR as its a gradual transformation of the term philantrophy towards philanthrocapitalism. Both CSR and social enterprise movement attempt to respond the same question: How can more companies can be encouraged to address social and environmental problems and thus contribute to the social well-fare ? In this respect both of them are like the two similar fruits of the same tree (Cornelius et al.,2008).

Yet, whislt CSR and social enterprises ask the same questions, they have different methods in anwering this question. CSR attempst to make the existing controllers of large companies to take more beneficial decisions for the society. It uses principles like self-regulation, external monitoring, and consumer activism, whilst helping the governments to promote pro-social behaviour by commissioning corporate controllers encourage philantrophy (Alter, 2007). On the contrary, social enterprises, focus on budding social entrepreneurs who tend to adopt a widely pro-social structure for their business, so that the ultimate aim is to create a social business model rather than making a business model to consider social welfare as a by-product (Popoli, 2016). In this case, social enterprises usually act with the logic of social investors within the framework of market rules rather than using the philanthropy mechanism to allocate a certain budget for social well-fare (Di Domenico, Tracey, & Haugh, 2009).

In social enterprises, social investment is made in the field of volunteering (philanthropy) with the belief that the large-scale profits generally gained by a small number of individuals, the claim to create social transformation and the methods taken from the business world are superior to the public sector and civil society methods (Işık, 2013). At this point, the understanding that the transfer of some of the revenues obtained for the solution of social problems can also be included in the concept of social entrepreneurship (Aslan, Araza & Bulut, 2012) intersects social responsibility and social entrepreneurship practices (Koçak & Kavi, 2014). Therefore, voluntary provision of social assistance services for a specific purpose is considered as a social entrepreneurship practice.

Again, when it comes to social entrepreneurship, the first thing that comes to mind is Professor of Economics at Chittagong University, who received the Nobel Peace Prize (nobelprize) in 2006. Grameen Bank, founded by Muhammed Yunus. The biggest social benefit of Grameen Bank, which was established in 1976, is that it provides micro credit to socially excluded individuals and mediates their participation in the labor market (Koç, 2010: 206; Koçak & Kavi, 2014; Denizalp, 2009).

Conclusion

As a result of the changes in corporate structures over the years, the understanding of corporeate social responsibility has also changed in terms of organizations and businesses that work to provide social benefits in many different fields. To date corporate social responsibility projects have been provided important benefits for the stakeholders of the various business organizations and a lot of business organizations still continue their corporate social responsibility projects to make social benefits for their stakeholders as well as to achieve sustainable competitive advantage. At this point, one can also argue that corporate social responsibility projects have been utilized by the business organizations in order to gain more profits from business operations, since social legitimacy would provide reputation and reputation would allow businesses to access critical resources, which in turn would increase their financial performance.

On the other hand, although corporate social responsibility projects are still ongoing in many companies, in cases where corporate social responsibility projects are insufficient to provide benefits for the society, this gap is being filled by social enterprises. In fact, despite the fact that at the center of the social enterprises lies the corporate social responsiblity and both of them may seem like the fruits of the same tree, they have got also several differences. First of all, it can be argued that the social enterprises are the extensions of corporate social responsibility and within the years the concept of corporate social responsibility has benn evolved to social enterprises. In this respect, social enterprises aim to achieve two different goals under the umbrella of a single organization: To provide social benefit and to make profit. On the surface, most social enterprises can be perceived as a traditional corporate social responsibility projects. However, when examined more closely, the main feature of these organizations is that they put their mission for contributing to the society at the center and use their commercial activities as tools to achieve their mission. This is exactly where social enterprises differ from socially responsible companies that implement corporate social responsibility projects. Unlike socially responsible companies that actually use CSR to maximize their legitimacy and thus maintain their sustainable competitive advantage, the aim of the social enterprises is to achieve profit, and use this profit again for the social benefits. In this connection, another point that distinguishes social enterprises from these companies is that social enterprises are primarily accountable to the communities they serve, not to their shareholders, since profit seeking is not the primary but the secondary aim to support social contribution. In other words; unlike socially responsible companies, in social enterprises, profit is not transferred to the shareholders, but it stays in the system for the growth and purpose of the system to provide higher benefits. On the contrary, CSR in socially responsible companies generally refers to a philanthropic fund set up by a for-profit business to engage in beneficial actions in the local community. Within the scope of corporate social responsibility, a company can donate to a school, a hospital, and give scholarships to students. In short, a business that practices corporate social responsibility spends 95% of its resources to generate profits and 5% (lessmay be) to create a better world. In a social enterprise, on the other hand, all of the resources for this business are allocated for social benefit.

Tu sum up, the common points of CSR and social enterprise is to create "social benefit", but their instruments to achieve this common aim is different and these differences can be more striking than the similarities. Today, due to the increase of global social inequalities and income inequalities, more companies want to take an active role in eliminating these inequalities. Implementing solely CSR projects is the first and of course the taken for granted method of dealing with these inequalities. The emergence of social enterprises show us that the implementation of CSR is a neccessary but not a sufficient condition for removing the social inequalities. The number of social enterprises in the world is increasing rapidly and they play an important role in dealing with inequalities.

Today, along with the development of social responsibility, individuals or organizations who engage in the business world, has played an important role in the development of social enterprises to meet social needs. As a result of this, social enterprises started to be sensitive to the problems arising within the social structure and to evaluate these problems as business opportunities. The phenomenon of social entrepreneurship has gained further momentum with the developments in the field of technology and telecommunications. Yet, the success of social enterprises heaveily depends on the development of sound business models. In this context, it is a great contradiction to try to reduce the inequalities caused by the free market economy with the tools of the free market economy.

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